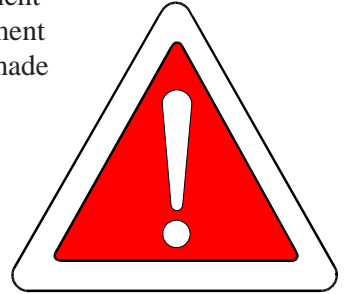


There Are Reasons We Don't Book Travel Over the Internet

We want to remind everyone that state policy prohibits employees from booking their own airfare for state business over the Internet. According to state policy FIACCT 10-02.00, Travel – Reimbursement – General Policies, the State will not honor reimbursement requests for airline travel arrangements that are not made through the State Travel Office.

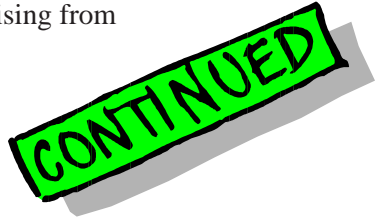
That means that if employees purchase their own tickets over the Internet, they have just paid for their own airfare. The State should not reimburse their airfare.

The Division of Finance has researched the impact of allowing employees to book their own travel over the Internet and has determined that it is not beneficial to the State of Utah. The major reasons for this determination include:



- ✓ The State negotiates contracts with the airlines and car rental agencies each year to obtain government airfares. The information that is necessary to negotiate these low fares, such as number of flights, cities employees fly to and from, and volumes, is obtained by booking airfares through the contracted travel agency. Without this information, the State would not be able to obtain its current low airfares, which would result in higher overall travel costs for state agencies. Currently, this information cannot be captured if the airfare is booked over the Internet. Also, airlines will give the State better rates if travel is centralized and booked through one travel agency to ensure the State is following airline rules and regulations.
- ✓ Current state policy requires that employees be reimbursed only for the lowest fare available. Since airfare rates change constantly, unless employees call the State Travel Office to get airfare information at the time they book the travel, the employees will not really know whether the fare quoted on the Internet is lower than the government rate or any other published rate. The State Travel Office would not be able to give the lowest fare available after the fact. Our agents always search for the lowest rate. If there is a rate lower than the contract state rate, they will book the lowest rate.
- ✓ If State Travel is not involved in booking the ticket, we cannot help employees if something goes wrong (e.g., employees get to the airport and the ticket has not been issued, or the employees need to make changes). The employees are on their own. If our agents don't book the tickets, they cannot make changes to the tickets or help employees resolve problems. The employees would have to work through the airlines or Internet companies.
- ✓ Airlines may require employees to swipe a credit card at the airport when checking in. Consequently, employees would not be able to use the Central Travel Account (CTA). The employees would have to use either a state cor-

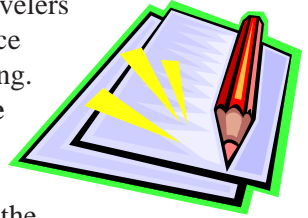
porate travel credit card or a personal credit card. By not using the CTA number to book the airline ticket, employees would lose the \$500,000 insurance against death or dismemberment arising from accidents occurring while traveling on any common carrier (a common carrier is an air, land, or water conveyance). The employees would receive only the insurance listed on their personal credit card policy or the insurance listed on the state corporate card, which is less than the CTA insurance.



- ✓ We have found that many employees do not understand the restrictions and terms that are placed on most of these “great fares.” Often the “small print” may state, “or lowest available fare.” The lowest available fare may be higher than the state rate. Also, the terms will usually list restrictions such as employees can fly only at certain times of the day, or certain dates, etc. This may result in employees having to stay extra days, which may require additional lodging and per diem, resulting in increased cost. Fares on Internet sites do not include airport-assessed passenger facility charges. If these charges are included, the fare may not be lower than the state rate or other fares the State Travel Office can obtain.
- ✓ Fares booked at the state contract rate do not require an advance purchase, are fully refundable, and do not charge for cancellations or changes. By contrast, Internet fares generally require an advance purchase, are non-refundable, and prohibit or carry penalty charges for changes and cancellations. The State Travel Office can also book fares at the lower non-refundable rates.
- ✓ If employees purchase “promotional tickets” over the Internet, they own the tickets. The tickets cannot be refunded or exchanged. If employees cannot go or need to change the departure date or time, they will need to purchase new tickets. The money spent on promotional tickets is lost to the State.
- ✓ Currently, travelers are required to provide the State Travel Office with an authorization number. This is to ensure that employees have been authorized and approved by the agency to travel. If employees were allowed to book their own travel on the Internet, agencies would need to establish internal procedures to ensure this approval would be obtained before employees are allowed to book over the Internet.
- ✓ It will take longer for employees to book a fare over the Internet than through the State Travel Office. We did a comparison, and it took one of our staff members two hours to check three destinations on the Internet. It took our travel agents 15 minutes to check the same options. Employees must access several Web sites and call the State Travel Office to ensure they are receiving the lowest available fare. They must read all the fine print and restrictions. Booking on the Internet wastes employees’ time, as well as the State Travel agents’ time to check fares.
- ✓ To take advantage of airline promotions such as triple miles, employees may book airfare at a rate which is not advantageous to the State. ➔

Help Us Improve Our Customer Service

We need your help to evaluate the performance of the agents in the State Travel Office. We are requesting that frequent travelers and travel planners who have used the State Travel Office complete a questionnaire to let us know how we are doing. You do not need to identify yourself on the form. **Please return the completed survey by October 1.**



You can either print and fill out the customer satisfaction survey on [page 6](#) of this newsletter, or complete the form on-line and click the *Submit Survey* button on the bottom of the form to e-mail your answers to Diann Donoviel.

If you choose to submit a hard copy of the form, send it to the State Travel Office using one of the following methods:

- ◆ Fax the completed form to 801-538-3485;
- ◆ Send it by State Building Mail to State Travel Office, State Office Building Room 1170; **or**
- ◆ Send it by US Mail to State of Utah Travel Office, State Office Building Room 1170, Salt Lake City, UT 84114.

We will use your responses to improve our customer service. We can't get better if you don't tell us where we can improve. If you have questions about the survey, contact Diann Donoviel (ddonoviel@utah.gov or 801-538-3103) or Tami Nelson (taminelson@utah.gov or 801-538-3109). ➔

Do Not Take Out Additional Insurance on Rental Car

Employees who drive a rental car while traveling on state business **do not need to take out additional insurance while traveling within the 50 states and the District of Columbia.** Additional insurance is not needed and will not be reimbursed.

The car rental companies contracted by the State of Utah, Budget Car Rental and Enterprise Rent-A-Car, both provide full insurance coverage. The insurance provides primary liability coverage of: \$100,000 bodily injury per person; \$300,000 maximum bodily injury per occurrence; and \$25,000 property damage per occurrence. It also provides full collision/loss damage waiver (LDW). However, the insurance does not cover items left in the rental cars.



Travelers have reported that rental car agents at some locations have tried to sell them insurance, saying they are not covered. However, these local rental car agents are not familiar with State of Utah rental car contracts. **You do not need to take out additional insurance.**

Travelers are required to book car rental reservations through the State Travel Office. When our agents book the car rental using the state's corporate number, this insures that the employee is covered by the state's liability insurance while driving the vehicle.

If you rent a vehicle **outside the 50 states and the District of Columbia**, insurance is not included in the contract rate. In this case, the insurance should be purchased and will be reimbursed. ➔

Follow State Policy, Regardless of Who Pays for Travel

An employee whose state travel costs are paid by a third party is still required to comply with state travel policies. Below is a summary of the policy regulating travel paid by someone other than the State.



- ◆ All travel on state business, whether reimbursed by the State or by a third party, must have **prior approval** by the department head or designee. The proper authorization for out-of-state travel paid by a third party is a completed FI 5, Request for Out-of-State Travel Authorization, approved by the department head or designee. The agency must keep this form on file to ensure that we will have the information needed to contact the employee and help him return home in case of an emergency such as a natural disaster or a terrorist attack.
- ◆ All travel arrangements must be made through the State Travel Office unless the third party makes the travel reservations and provides the airline ticket to the employee.
- ◆ An employee who receives a travel reimbursement from a third party **should not be enriched** by the reimbursement beyond what state travel policy allows. For example, if an employee is paid \$50 a day by a third party for an out-of-state meal allowance, then the difference between the state rate of \$38 and the \$50 must be deposited with the State. An employee who receives less than the state rate from the third party can be reimbursed by the State for the difference.
- ◆ Travel expenses reimbursed by a third party may be treated in one of the following ways:
 - ① Deposit the total third party reimbursement with the State as a refund of expenditure and obtain a regular travel reimbursement from the State.
 - ② Retain the amount reimbursed by the third party, up to the amount allowed by the travel policy, and accept no state reimbursement. If the amount is greater than that allowed by the travel policy, the difference must be deposited with the State.

Reimbursement by a third party is discussed in state accounting policies FIACCT 10-02.00, Travel – Reimbursement – General Policies; FIACCT 10-02.02, Travel – Reimbursement Procedure; and FIACCT 10-02.06, Travel – Reimbursement – Transportation. The policies are available on the Division of Finance Web site at www.finance.utah.gov.

If you have questions about third party reimbursements, please contact Brenda Lee Sy at 801-538-3100 or by e-mail at brendalee@utah.gov. ➔

State Travel Office Emergency Phone Numbers

After Hours Emergency

5:00 p.m. – 8:00 a.m.* weekdays,
and on weekends and holidays
1-800-358-1019 (per call charge to CTA)

Daytime Emergency

8 a.m. – 5 p.m.* weekdays
801-537-9124

*Mountain Time

Q & A: Airline Bankruptcies*

If you are a traveler who is concerned about the reliability of airlines in Chapter 11 bankruptcy, you can relax. Bankruptcy is nothing new in the airline industry. If an airline should happen to cease operation while you are out traveling, call the emergency phone number printed on your itinerary. The customer service representatives will reschedule your flight.

Below is a short Q & A which addresses many of the concerns related to the status of airlines.

Q: *Is my booking in jeopardy if it's with one of the airlines in Chapter 11?*

A: Not likely. An airline's filing for Chapter 11 bankruptcy is essentially transparent to travelers. As far as the operation of the airline is concerned, almost nothing changes. People keep buying tickets, the airline flights operate as usual, and travelers would be hard-put to know that the bankruptcy ever happened.

Q: *Why is there so much talk about airline bankruptcies all of a sudden?*

A: Mainly because the government rules on Chapter 11 bankruptcy will change in October. Since the new rules are more strict than the current ones, struggling companies in many industries, not just airlines, are considering preemptive filings before the change goes into effect.

Q: *How can the airlines continue to operate after declaring bankruptcy?*

A: Bankruptcy is not synonymous with failure. With Chapter 11 bankruptcy, a company does not necessarily liquidate its remaining assets and go out of existence. Struggling companies use Chapter 11 bankruptcy not to fail, but to keep operating while shedding some of their debts and other obligations. This may mean, among other things, defaulting on employee pension plans, as several airlines have already done. Bankruptcy can do great harm to employees, stockholders, and debtors, but it generally has almost no effect on customers.

Q: *How safe are my frequent flier miles with a bankrupt airline?*

A: Frequent flier miles are about as safe with an airline that has declared bankruptcy as with any other big airline.

Q: *How will bankruptcy affect fares?*

A: The bankruptcies themselves may not have much effect on fares. However, high oil prices are eating away at the bottom lines of all airlines, whether profitable or bankrupt. Despite periodic sales and promotions, overall fares will likely keep edging up as the price of oil increases. ✈

*Source: Ed Perkins, columnist at www.smartertravel.com, posted August 26, 2005

Considering all aspects of your experience with the State of Utah Travel Office, how would you rate your overall satisfaction?

☐ Extremely Satisfied

☐ Very Satisfied

☐ Satisfied

☐ Dissatisfied

☐ Very Dissatisfied

How would you rate the agents in the State of Utah Travel Office on:

	Excellent	Very Good	Good	Fair	Poor
Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Willingness to help	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timely response to calls or e-mail (1 hour or less)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Problem solving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to meet deadlines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of airline contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offering flight options to obtain lowest fare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Obtaining requested seat assignments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We value your feedback. Please provide comments on our service:

How do you normally request travel arrangements? (Phone, e-mail, fax)

What stands out as the best quality of the agents you use?

If you could change one thing in the State Travel Office, what would you change? (Please be as specific as possible.)

Other Comments: